

Colonial Life<sup>®</sup>

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# The essential small business benefits guide

Enrollment strategies that strengthen your business





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SOME  
**70%**

of employees say they need their employer's help ensuring they are healthy and financially secure.

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OVER  
**80%**

of employees said benefits through their employer contribute to their feelings of financial security.

Source: Employee Benefit Research Institute and Greenwald & Associates, Workplace Wellness Survey, 2022.

## Introduction

### Smart, creative ways to support employees

Small businesses have always had to find smart, creative ways to support their employees' health and financial wellbeing. The tight labor market combined with a shaky economy has only kept up the pressure.

What's more, workers are paying more attention to their benefits. And they're more conscious of how important financial and health benefits are if they get sick and can't work.

Voluntary benefits offer a powerful and budget-friendly way to support your employees' health and financial wellbeing. They also address three critical priorities:

- Provide valuable protection
- Retain and attract skilled labor
- Manage benefit costs

The sheer versatility and flexibility of voluntary benefits help address workers' needs at minimal or no cost. They can also go a long way in boosting retention and attracting skilled workers. And for small businesses who are competing with larger companies with deeper pockets for salaries, they can help level the playing field for workers.

And when it comes to benefits, small businesses often struggle with finding the time to do three things: enrollment, benefits education and benefits administration. Today, small employers have more benefits and technology options that can strengthen their employee offerings and save time without breaking their budgets.

**The essential small business benefits guide** offers practical information about benefits, enrollment and strategies for maximizing employee participation. It also contains key insights for squeezing more value from your benefits budget, as well as tapping into HR tech solutions without adding costs to your bottom line.

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## Benefits: a short primer on medical and voluntary benefits



There are two general categories of benefits: medical or health benefits and voluntary benefits. Many carriers offer various levels of coverage including employer-paid, employee-paid and a shared cost between employer and employee.

### Major medical benefits

Major medical or health insurance is the number one benefit that employees want — and for good reason. In a recent study, the cost of major medical premiums rose by 43% for a family of four over a 10-year period.<sup>1</sup> But without medical coverage, even minor procedures during a hospital stay can quickly add up to \$20,000 or more in medical expenses.

Although businesses with fewer than 50 employees aren't legally required to offer health insurance to their employees, many small employers still offer it and pay 50% of their base health plan. Even so, it's still the most expensive benefit to provide.

### Voluntary benefits

Health insurance alone often leaves employees with coverage gaps that can be costly. Voluntary benefits can complement your health plan.

Voluntary benefits can help cover out-of-pocket expenses that major medical and other insurance don't cover. Generally paid directly to the employee, these benefits can cover out-of-pocket expenses such as deductibles and co-insurance, replace missed wages and pay for household bills and travel expenses.

The beauty of voluntary benefits is they can be customized for the specific needs of a business and their employees, catering to certain vocations, stages of life and lifestyles. A big advantage is they can be offered as a 100% employee-paid benefit, so there is zero cost to your bottom line.

They can also be offered as a shared expense between the employer and worker as well as 100% employer-funded.

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# Popular benefits at a glance

## Health or “core” benefits

### Major medical

Most group major medical plans offer coverage to a broad network of doctors, specialists and hospitals. They will generally offer tiered options that include low, medium and high deductibles with corresponding tiers for co-insurance and co-pays for in-network providers. Usually, major medical includes limited reimbursement for out-of-network providers for some services.

### Dental and vision

Dental and vision benefits are considered a “core” benefit if the employer pays a portion of the premium, and a voluntary benefit if it’s 100% employee-funded (See Voluntary Benefits section for description).

## Voluntary benefits

### Cancer

Cancer insurance offers benefits to assist with out-of-pocket costs that may not be covered by medical insurance, including expenses related to inpatient or outpatient treatment, surgery, travel and recovery care.

### Critical illness

Critical illness insurance can complement major medical coverage by providing a lump-sum benefit for an employee diagnosed with a covered critical illness, such as heart attack, stroke, coronary artery disease, end-stage renal failure or major organ failure – among others. When considering carriers, check on whether its benefit covers infectious diseases, such as COVID-19. Benefits are typically paid directly to the employee, so they can be used where they’re most needed.

### Hospital indemnity

Hospital indemnity insurance provides a lump-sum benefit to help with out-of-pocket costs related to a hospital stay. This may include outpatient surgery, diagnostic tests, doctor’s appointments and emergency room trips.

### Dental and vision

Dental insurance can provide benefits for both routine and more expensive dental procedures that aren’t covered by most health insurance plans. They typically include cleanings, fillings, sealants, tooth removal, crowns and dentures – and may also provide benefits for regular dental appointments. Regular eye exams help maintain healthy vision and are the first line of defense in detecting more serious eye conditions, such as glaucoma, high blood pressure and diabetes. Vision insurance typically helps pay for eye exams, glasses and contact lenses. They may also offer discounts on treatments such as laser eye surgery or eyecare accessories.





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## Cushion the financial impact of high-deductible plans

As high-deductible health insurance plans (HDHPs) have become more popular in recent years, they have also become a double-edged sword for employees. Instead of saving money, many workers have delayed needed medical care, because they feel like they can't afford the out-of-pocket expenses of a high deductible.

And for workers in physically demanding jobs, who often get hurt off the job and sometimes delay or skip medical care, this can lead to higher injuries on the job and higher workers' comp claims, explained Patrick McCullough, AVP of Market Development at Colonial Life.

"If workers get hurt off the job or on the weekend, they might be treating themselves with home remedies or toughing it out and they go to work instead of go to the doctor," said McCullough. "And when some of these workers go to work with an untreated injury – this can lead to an injury at work. Not because they are bad actors but because they can't afford their deductibles. And because these employees work very hard to support their families, they don't want to miss work or their overtime."

### Adults with HDHPs

#### Avoiding treatments because of costs



50% of adults or a family member postponed getting health care



39% of adults or a family member skipped a recommended test or treatment

Source: KFF, Health Care Debt Survey, 2022.

You can ease the financial impact of HDHPs by offering a combination of affordable voluntary benefits that can help pay for out-of-pocket expenses like high deductibles, co-insurance and co-pays. Consider combining these voluntary benefits to soften the impact.



### Accident

- Helps pay for out-of-pocket expenses due to an injury
- Accident is a great option for workers and their kids involved in sports and activities



### Critical illness

- Helps cover expenses related to critical illnesses such as a heart attack and stroke
- Check if your benefit covers infectious diseases including COVID-19



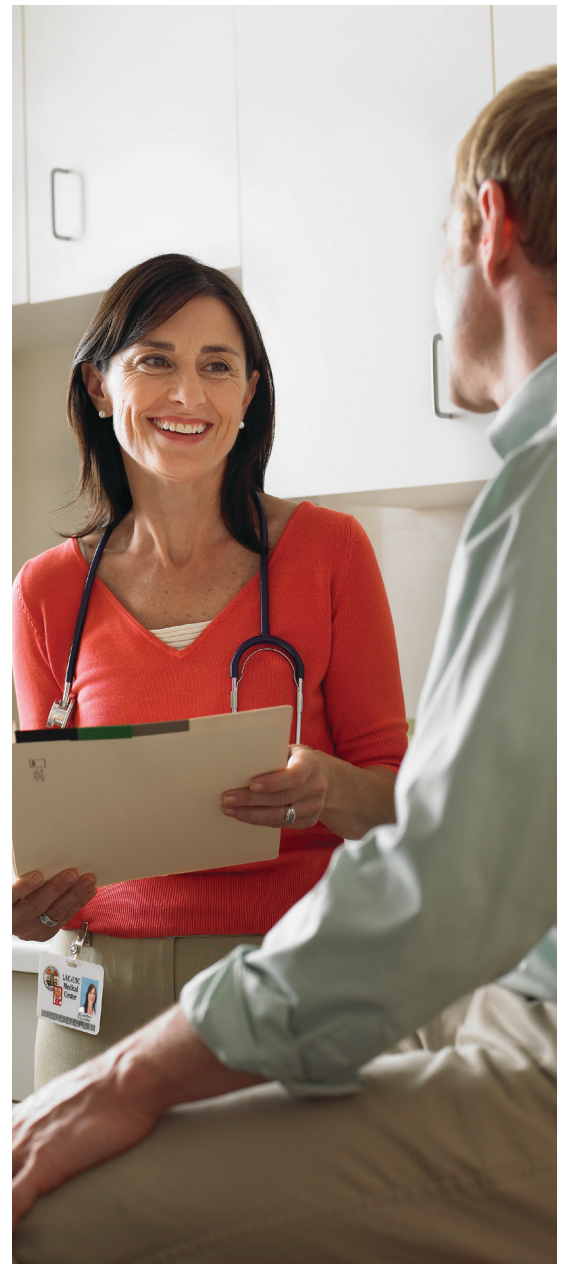
### Hospital indemnity

- Cover deductibles, co-insurance and co-pays for unexpected hospital stays

## Employee-paid voluntary benefits

Even if you only have three employees, some carriers can still offer coverage for life, disability, accident, critical illness and cancer with low or no minimum participation rates.

By offering employee-paid benefits, you can still offer an attractive benefits package at more affordable rates that employees wouldn't have access to on their own.



**It doesn't make a lot of sense to many blue collar workers to go to the doctor for a broken finger or a sprained wrist, if they have to pay a \$500 deductible. But if they receive money from their accident insurance then it makes sense."**

*– Justin Manale, Colonial Life District General Agent, New Orleans Region*

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## Benefits planning: squeezing more value from your benefits

For small businesses, benefits are often one of the greatest expenses. Voluntary benefits help you expand your coverage at little or no cost to you.

Here are two ways to squeeze more value out of your existing benefit plan and expand your benefits.

### Benefits banks – affordable contributions

A benefits bank is an affordable alternative for small businesses (under 50 employees) that don't have the budget to pay for major medical coverage.

**How it works:** The employer contributes a fixed monthly amount, say \$25 to \$50, to each of their employees' account to pay the premium for the voluntary benefit of their choice.

For example, a benefits bank is set up for \$50 per month. One employee could use that \$50 to pay for short term disability coverage and another could use



**About two-thirds of employees who were satisfied with their benefits reported being more productive, more likely to stay at their job, and more likely to recommend their employer.**

Source: Colonial Life, Employee Enrollment Survey, company sponsored, 2021. 1,462 U.S. full-time employees responded to the survey in August 2021.

it toward a life insurance policy. Your employees are still paying the remaining premium amount for that policy, but they know that you have paid for a portion of their benefit. And that contribution can help build goodwill with your employees.

Ask your provider or broker to help you create a flexible benefit plan that offers your employees affordable protection that meets their needs.



**When I go to enrollment each year, the first thing I ask is – whom do we owe money to? Who has wellness benefits they haven't made claims on? Who has an accident plan and their kid broke their arm three months ago? We're going to help them file their claim and put money in people's pockets."**

– Joel Newman, Director of Partner Acquisitions, Building Blocks for Business



## Complimentary benefits and services

Some carriers offer free services and resources (as part of their current voluntary benefit plans) that employees can tap into as additional benefits. Known as “value adds,” popular complimentary benefits and services that help employees save money include wellness discount cards, financial education websites and basic legal services.

Other popular complimentary services worth considering are identity theft and student loan assistance. Depending on your carrier and how many

employees you have, Employee Assistance Program (EAP), accidental death and dismemberment coverage and telemedicine services may also be an option.

A human resources support website may be another available resource. Employers can find advice and best practices, and some support websites offer a state employment-law database. If you have just one or two people handling all of your HR functions, these websites can be used to quickly find up-to-date information that impacts your employees.



**What if you don't have the budget to spend \$400 a month on health insurance? But you have the budget for \$50. We're going to tell your employees that you're giving them a wellness card, financial education and basic legal services, and you're spending \$50 per month for any voluntary benefit they want. And that's makes a big difference to your employees."**

— Joel Newman, Director of Partner Acquisitions, Building Blocks for Business



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## Benefits education: the key elements

Among employees who took advantage of benefits education and advice,

**78%**

reported significantly higher understanding and

**60%**

significantly higher satisfaction with their benefits.

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Source: Employee Benefit Research Institute and Greenwald & Associates, Workplace Wellness Survey, 2022.

Benefits are complicated and most employees struggle to understand them. Even employees with strong analytical skills like engineers, research scientists and accountants can feel overwhelmed.

For small businesses with limited human resources staff, fielding benefits questions from employees can be challenging. Partnering with a provider who can provide guidance and support is a win-win for your HR team and employees. Proactive benefits communication and a knowledgeable benefits counselor during enrollment can cut through the fog and translate complex benefits into everyday language.

Time and again, employees say benefits counseling is essential to understanding and using their benefits. Among employees who took advantage of benefits education and advice, 78% reported significantly higher understanding.<sup>2</sup>



**Researching benefits is like researching taxes. Nobody wants to do it. But a Colonial Life benefits counselor is like a friendly, benefits encyclopedia."**

— Zacharee Siahpush, Colonial Life District Development Manager, Pacific Northwest

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## Benefit communication: lead-up to enrollment



An essential part of educating your employees about their benefits takes place before enrollment. Employees need to know what benefits are available and when enrollment is taking place.

You don't need to create these resources from scratch. Some carriers and brokers can provide your business with print and digital benefit materials customized for you and your employees.

Here are a few benefit resources that are very effective for the pre-enrollment phase.

### Videos and digital tools

Sending emails or texts with links to short educational videos and reader-friendly information about benefits is a powerful and effective way to engage your employees.

Digital postcards sent by email are particularly useful. Videos can be especially helpful in explaining complex benefits without the jargon. And employees can view them on their schedule.

Other helpful information includes enrollment dates, remote or onsite locations and how to schedule 1-to-1 benefits counseling. Adding an online scheduler will also make it easy for employees to make their appointments.

### Print and digital benefit booklets

A key resource is a comprehensive benefits booklet with short descriptions of all your available benefits. Providing the benefits booklet in both digital and print will complement each other as some employees will prefer one format over the other or both.

Many workers prefer digital benefit booklets because they can share them with their spouses or partners and easily refer to them during 1-to-1 counseling. Similar to digital postcards, many digital benefit booklets use embedded videos, images or voice-overs and links to external websites.

As much as email and mobile devices have become routine, some workers still prefer a printed benefits booklet to read and make notes. Printed booklets are also good to have on hand for 1-to-1 counseling.



View a sample [digital postcard](#).

# Enrollment 101 for small business



The most critical component of a successful enrollment is 1-to-1 benefits counseling. Rather than speaking to friends, family or coworkers, your employees could seek guidance from a trained benefits professional – one who understands your company’s offerings and can take the time to learn each of your employee’s unique needs.

For many years, in-person or face-to-face enrollment has been a popular enrollment method for 1-to-1 counseling. But today, employees may be working at multiple worksites, different shifts, on the road or remotely, so they may need more flexibility and convenience. Offering virtual conferencing and telephonic options, as well as in-person counseling, can make a huge difference to your employees.

When choosing a provider, ask if they offer 1-to-1 benefits counseling and if the same counselors will be able to work with your employees year after year. Building long-term relationships with benefit counselors can help your employees be confident they are getting the most value out of their benefits.

## Enrollment options at a glance



### In-person

A benefits counselor meets with an employee at the worksite in a 1-to-1 counseling session.



### Virtual

Just like virtual conferencing, a benefits counselor meets with an employee in a 1-to-1 counseling session using secure virtual enrollment tools.



### Telephonic

A benefits counselor connects with an employee in a 1-to-1 counseling session by telephone.



### Group meetings

An employee attends a group meeting with co-workers (in-person or virtually) as a lead-up to 1-to-1 counseling or makes selections on the spot.



### Online self-service

An employee uses an online system such as a benefits portal or benefits website for enrollment.

## In-person enrollment

In-person enrollment is conducted in a private room on the jobsite, so that workers can have the opportunity to ask questions and seek guidance from a benefits expert. Today, many businesses offer in-person as well as other convenient enrollment options.

## Virtual enrollment

For many employees working at multiple locations, or those working multi-shifts or remotely – virtual enrollment offers a practical, convenient option for 1-to-1 benefits counseling. It also enables spouses or domestic partners to participate in the conversations with a benefits counselor and offers a great option for workers with health concerns.

Virtual enrollment uses technology that enables the benefits counselor and the employee to have a conversation and share their computer screens with each other. These virtual meetings allow your employees to ask questions, while also providing benefits counselors an opportunity to give personalized guidance.

Key factors for effective virtual enrollment include accessible technology, knowledgeable benefits counselors and a private space wherever the employee is located.

## Telephonic enrollment

This enrollment method offers another easy 1-to-1 counseling option for employees who may be working in different locations or shifts. Telephonic counseling offers employees who are tech-averse or have limited access to technology as a stress-free option for enrollment. Like virtual enrollment, it's also a great option for employees with health concerns.

## Online enrollment

Some employees prefer to review their benefits options on their own and enroll themselves during open enrollment. Workers should be able to tap into educational resources such as the benefits booklet or benefits website when they're using the online service option.

Online self-service is also a convenient option throughout the year for new employees and current employees with qualifying life events.



### Employees with health concerns

Some employees may still be practicing social distancing for medical, caretaking or other personal health-related concerns. Virtual and telephonic enrollment offer two great options for 1-to-1 benefits counseling while providing that extra peace of mind of social distancing.



**Colonial Life has 4,800 benefits counselors nationwide, including Spanish-speaking counselors.**

Source: Colonial Life internal data, 2023.



To learn more about enrollment methods, check out [The smart guide to benefits enrollment](#).



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## How to maximize employee participation

### Combine medical and voluntary benefits in enrollment

The best strategy to maximize your employees' participation is to combine medical and voluntary benefits during enrollment. A single enrollment minimizes your employees' time away from their work, break or free time. And when your employees look at their medical and voluntary benefits together in a 1-on-1 with a benefits counselor, it's much easier to make choices that get the most value out of their benefits budget.

### Integrating with your broker's enrollment

Whether a broker conducts core health enrollment in person or virtually, your voluntary benefits provider will need to coordinate with your broker's enrollment program with two key tasks. First, ensure descriptions of all the voluntary and core benefits are included in the benefits booklet and any other material distributed to employees. And if there is a group meeting for employees, the voluntary benefits provider will need a time slot for the presentation.



### Pro tip: Boost employee participation

Encouraging employees to attend benefits counseling sessions during their normal working hours can help increase participation.

## New employees and life events

When starting a job, new employees are often the most open to learning about their benefits, and they shouldn't have to wait until annual enrollment for benefits counseling. Current employees may also need more personalized guidance about their benefit options when they experience a life event like getting married or having a child.

Some insurance carriers and brokers will conduct enrollment periodically, including in-person, virtual and telephonic, depending on your hiring frequency. Ask your broker or carrier about the 1-to-1 enrollment options they offer throughout the year.

## Benefits statement

A total benefits statement provided to your employees at annual enrollment is a simple, effective method to show the overall value of their benefits. It's generated by your carrier or broker and breaks down what you're spending and what employees are contributing on each benefit, including major medical coverage.

## Online scheduling and tracking

Online scheduling tools are effective in engagement, especially for workers who are juggling work and family responsibilities. With an online scheduler, employees can book appointments that are convenient for their lives, with plenty of day, evening and weekend time slots available.

Using a spreadsheet or a manual sign-up sheet can also be effective in tracking which employees have or have not participated in enrollment and follow up as needed. Ask your broker or carrier if they have reports for employee participation available, and if they'll follow up with your employees before your enrollment period ends.

## Lead by example

If enrollment is a new process at your business, a supervisor, manager and owner can boost employee participation by completing their own enrollment early in the process. By leading the way, employees will naturally ask their supervisors about it.



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## Benefits administration and HR technology

Many small businesses are stretched tight for HR time and technology. So, it may not be feasible to invest in new technology that could streamline time-consuming HR tasks like benefits administration. This is where choosing a carrier or broker that offers technology solutions for small businesses can make an impact. Here are two technology solutions to look out for:

### Online client website

Some carriers offer an online client website, also known as a client portal, with limited benefits administration features. These features enable your HR person to log in to their account and make changes or update their employees' benefits directly into the carrier's system. And because the system is online, there is a minimal learning curve. An online client website will likely be offered at low or no additional cost.



### Benefits admin and HR technology

When a small business has several employees, using spreadsheets, paperwork and other processes to manage benefits can be a headache. Ask your insurance carriers or broker if they offer a benefits enrollment and administration system to smaller employers at minimal or no additional cost.

#### When weighing tech options, consider these key features:

- Common HR tasks (for example, benefits enrollment and administration, employee records, onboarding)
- Ease of use and intuitiveness
- Customer support
- Cloud-based and back-up security



**Traditionally, benefits admin and HR tech systems have been cost-prohibitive for smaller businesses. With Gathr, they now have access to this technology without having to figure out how to budget for it."**

*— Melissa Billingsley, Colonial Life District General Agent, Mobile, Alabama*

**gathr**

Take the hassle out of benefits enrollment and administration with our HR technology

[Learn more](#)



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## Choosing your benefits and enrollment partner

When choosing a benefits and enrollment partner, you want a carrier that is not just going to show up for open enrollment and then disappear.

You want a partner that will be creative in helping you make the most of your benefits budget with affordable options that provide real value for your employees. They should also be so outstanding at servicing your employees' needs, they're practically an extension of your HR staff.

Many brokers and agents are small business owners, too. They partner with providers to offer their protections and services, while operating their own companies. Consider a broker or an agent who understands the ups and downs of the times and how they impact your business.

With this in mind, here are a few key capabilities to think about when choosing your benefits and enrollment partner.

### Education and communication

Employees don't want another sales pitch. They want practical information about their health insurance and voluntary benefits that helps them make informed decisions that fit their personal lives.

A benefits and enrollment partner should be able to communicate in ways that all of your employees can relate to. Their benefits counselors should be able to adapt to individuals' learning styles during enrollment and have both English- and Spanish-speaking counselors available.

### Customer service with compassion

Many employees are juggling work, families and extended family caregiving duties. They might also be dealing with financial stress and mental health concerns. So, you want to look for a partner that will provide customer service to your employees with compassion when they need help in filing their claims and then pay those claims quickly.

### Flexibility

Staying resilient and growing in this economy means adapting quickly to a changing business environment. You want a provider that understands the need for flexibility in your benefits and will adapt and grow with you.



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## A partner for the unexpected

For more business resources, check out our  
Employer Resource Center at [ColonialLife.com/ERC](https://ColonialLife.com/ERC).

Contact a Colonial Life independent agent about voluntary benefits.



[ColonialLife.com](https://ColonialLife.com)

1 KFF, Employer Health Benefits Survey, 2022.

2 Employee Benefit Research Institute and Greenwald & Associates, Workplace Wellness Survey, 2022.

An insurance producer may be in contact with you.

Colonial Life products are underwritten by Colonial Life & Accident Insurance Company, Columbia, SC. Colonial Life & Accident Insurance Company is not licensed in New York. In New York, insurance products are underwritten by The Paul Revere Life Insurance Company, Worcester, MA, and administered by Colonial Life & Accident Insurance Company.

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